

PERS SELECT QUARTERLY UPDATE

CalPERS Health Benefits Committee

March 18, 2008



Agenda

❖ Implementation Update

- Member Communication
- Provider Communication

❖ Efforts to Increase Membership

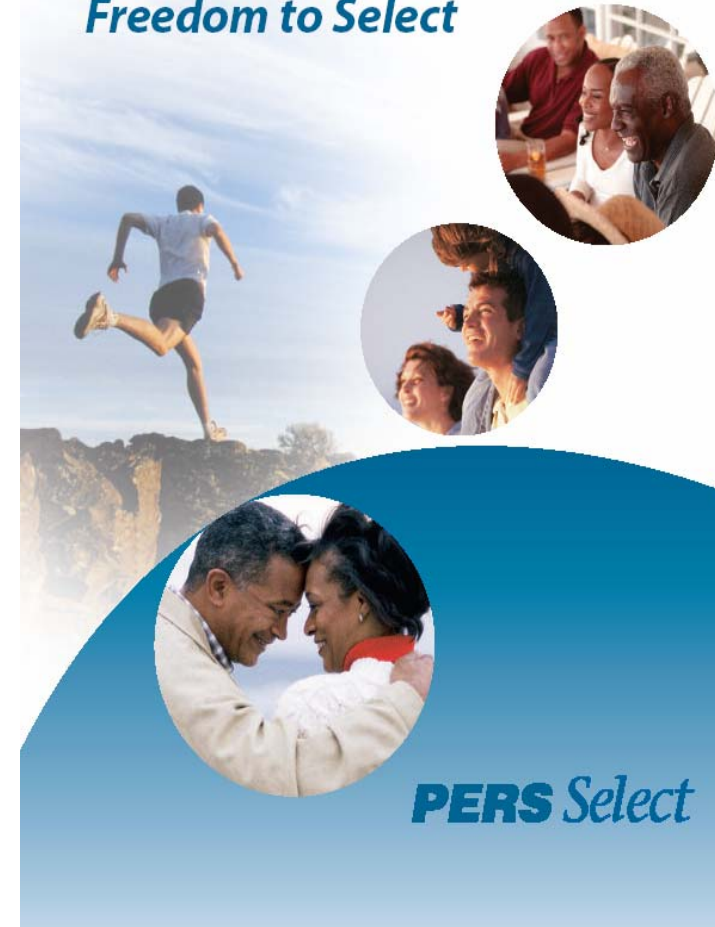
- Price Value Proposition
- Service Focus
- Product Enhancement
- Marketing
- PERS Select Future

Implementation Update

Member Communication

- ❖ PERS Select advertising and open enrollment support
- ❖ New member welcome packet mailed to each PERS Select subscriber
- ❖ Welcome calls to each enrolled CalPERS Select member

Freedom to Select



Provider Communication

- ❖ Outreach mailing to each impacted provider reminding them of their role in PERS Select
- ❖ Mailing concluded in January 2008
- ❖ Follow up with providers conducted based on any questions
- ❖ Data being reviewed and monitored to identify any provider relations concerns

Efforts to Increase Membership

Price Value Proposition

- ❖ Financial Factor must be included to drive enrollment change.
 - Premium differential needs to reflect product value
 - Blue Cross estimates at least a 6% premium differential to Choice needs to be applied to member contributions to drive change
 - Members need to see the value of reducing their physician choices
 - Working with CalPERS Staff during overall renewal action to see if financial value can be provided

Efforts to Increase Membership

Service Focus

- ❖ Member outreach calls were well received
- ❖ Constant monitoring of phone calls to create member value
- ❖ Monitoring of reporting data to proactively address any member opportunities
- ❖ Use of data to identify growth opportunities

Efforts to Increase Membership

Enhancement

- ❖ Focus of new program development for Select members
 - Transparency through Anthem CareComparison, leveraging value to Select members
 - Health Risk Assessment Incentives for Select members adding value to the program
 - Member outreach on special offers for Select members including wellness programs and care advocacy program
- ❖ Network expansion in underserved areas
 - Focus expansion and marketing opportunities in areas where an HMO alternative is not available

Efforts to Increase Membership

Enhancement

- ❖ Focus of new program development for Select members
 - Transparency through Anthem CareComparison, leveraging value to Select members
 - Health Risk Assessment Incentives for Select members adding value to the program
 - Member outreach on special offers for Select members including wellness programs and care advocacy program
- ❖ Network expansion in underserved areas
 - Focus expansion and marketing opportunities in areas where an HMO alternative is not available

Efforts to Increase Membership

Marketing

- ❖ Take the member's positive Select experience and convey to all members the reward of the program through newsletters
- ❖ Intensify our advertisement and marketing campaign prior to Open Enrollment
- ❖ Target geographic areas where there is not an HMO alternative, to provide a cost effective solution to member's choice.
- ❖ Using data mined to identify members already using Select providers and target mailing prior to Open Enrollment.
- ❖ Build on solid foundation of service to create long term value for everyone

Efforts to Increase Membership

PERS Select Future

- ❖ Build on effective installation.
- ❖ Focus on member/provider service value to show Select's opportunity to lower costs without reduction in value
- ❖ Support PERS Select specific Open Enrollment activities
- ❖ Create value enhancements targeted to Select members.
- ❖ Build on solid foundation of service to create long term value for everyone
- ❖ Work to ensure future contributions reflect the value of the product

Efforts to Increase Membership

Supports CalPERS Strategic Plan

